



ReBUILD NC

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Section 3 of the Housing and Urban Development Act of 1968 Policy Manual

State of North Carolina

For U.S. Department of Housing and Development
CDBG-DR and CDBG-MIT Funds



Version	Date	
Number	Updated	Summary of Changes
1.0	10 March 2022	Policy Published
1.1	1 April 2022	Updated Project Implementation Plan Form 6 to include forecasting as well as reporting labor hours.

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1. Overview of Section 3 Requirements

A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

B. PURPOSE OF THIS DOCUMENT

This plan outlines how NCORR and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing NCORR's CDBG-DR and CDBG-MIT programs. NCORR will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and require the same of its contractors.

NCORR may amend its Section 3 Policies and Procedures document as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

C. APPLICABILITY

Section 3 applies in different ways dependent upon the context of the financial assistance. For public housing financial assistance, all funding is covered regardless of the amount of expenditure or size of a contract. This plan applies to development assistance, operating funds, capital funds, and all mixed-finance development. For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level. For projects funded with Lead and Hazard Control and Healthy Homes Programs, this plan applies to projects that exceed \$100,000. This plan also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing and community development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program. Section 3 requirements do not apply to:

- 1) Material Supply Contracts - § 75.3(b),
- 2) Indian and Tribal Preferences - § 75.3(c), and
- 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d).

However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

2. Section 3 Coordinator

NCORR's Section 3 Coordinator serves as the central point of contact for Section 3 compliance for NCORR and its subrecipients, contractors and subcontractors supporting the program. Subrecipients, contractors, subcontractors and others are encouraged to reach out to NCORR's Section 3 Coordinator with questions regarding Section 3 compliance:

NCORR Section 3 Coordinator

E-mail at; section3@rebuild.nc.gov

Telephone; 984-833-5402

3. Employment, Training, and Contracting Goals

A. SAFE HARBOR COMPLIANCE

Grantees meet Safe Harbor Compliance by certifying to the prioritization of effort outlined by section 3 workers and meeting or exceeding Section 3 benchmarks for total number of labor hours worked by Section 3 workers and by Targeted Section 3 workers. The benchmark for Section 3 workers was set at 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project.

NCORR will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the prioritization of effort requirements and met or exceeded the Section 3 benchmarks, absent evidence to the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the prioritization of effort requirements for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in Section C. After completion of the project, on the Section 3 Cumulative Report, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.

B. SAFE HARBOR BENCHMARKS

NCORR has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements for public housing financial assistance (see 24 CFR Part 75.9) or for housing and community development financial assistance (see 24 CFR Part 75.19). The safe harbor benchmark goals are as follows:

Public housing financial assistance –

- 1) Twenty-five percent (25%) or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Section 3 workers.

Section 3 Labor Hours/Total Labor Hours = 25%

AND

- 2) Five percent (5%) or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Targeted Section 3 workers, as defined at 24 CFR Part 75.11.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

Housing and Community Development financial assistance –

- 1) Twenty-five percent (25%) or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

AND

- 2) Five percent (5%) or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, NCORR will review and update the Section 3 Plan every 3 years, or as needed.

It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks was not feasible. All contractors submitting bids or proposals to NCORR are required to certify that they will comply with the requirements of Section 3.

C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING

EMPLOYMENT AND TRAINING

Under NCORR's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

Public housing financial assistance –

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
- 2) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
- 3) To participants in YouthBuild programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

Housing and Community Development financial assistance –

Provide employment and training opportunities to Section 3 workers within the metropolitan area (or non-metropolitan county) in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

CONTRACTING

Under NCORR's Section 3 Program, contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

Public housing financial assistance –

- 1) Section 3 business concerns that provide economic opportunities for residents of public housing projects for which the assistance is provided;
- 2) Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section 8-assisted housing managed by the PHA that is providing assistance;
- 3) YouthBuild programs; and
- 4) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

Housing and Community Development financial assistance –

Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or non-metropolitan county) in which assistance is located in the following order of priority (where feasible):

- 1) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
- 2) YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from NCORR or its contractors/subcontractors for training, employment, or contracting opportunities generated by public housing financial assistance or housing and community development financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses that misrepresent themselves as Section 3 business concerns or that provide false information to NCORR may be deemed in default and may have their contracts terminated and, further may be debarred from ongoing and future consideration for contracting opportunities.

A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

A Section 3 worker seeking certification shall submit self-certification documentation to the contractor or subcontractor that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, NCORR will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published at <https://www.huduser.gov/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate that they meet one or more of the following criteria currently or when hired within the past five years, as documented:

- 1) A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- 2) Employed by a Section 3 business concern; or
- 3) A YouthBuild participant.

Persons seeking the Targeted Section 3 worker preference shall demonstrate that they meet one or more of the following criteria:

Public housing financial assistance –

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - a. A resident of public housing; or
 - b. A resident of other public housing projects or Section 8-assisted housing; or
 - c. A YouthBuild participant.

Housing and Community Development financial assistance –

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:

- a. Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5; or
- b. A YouthBuild participant.

Section 3 workers and Targeted Section 3 workers who are seeking preference in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Certification Form. The certification procedure will consist of the following:

- 1) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census,
- 2) An employer's certification that the worker is employed by a Section 3 business concern, or
- 3) A worker's self-certification that the worker is a YouthBuild participant.

For a worker to qualify as a Targeted Section 3 worker under the public housing financial assistance definition, the grantee and/or its recipients must maintain documentation that the worker meets at least one of the categories in the definition. Therefore, in addition to the documentation certifying that the worker meets the definitions of a Section 3 worker, a grantee and/or its recipients must maintain documentation for at least one of the following (per 24 CFR 75.31(b)(2)(i)):

- 1) A worker's self-certification of participation in public housing or Section 8-assisted housing programs,
- 2) A certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs,
- 3) An employer's certification that the worker is employed by a Section 3 business concern, or
- 4) A worker's self-certification that the worker is a YouthBuild participant.

Each application must include the following documentation:

- Section 3 Residence or Employee Household Income Verification
- Form Section 3 Residence Preference Claim Form
- Proof of residency (lease in a HUD or other federally assisted program)
- Proof of Income (one of the following is acceptable)
 - Most recent W-2
 - Recent paystubs (last month)
 - Proof of public assistance
 - Completed Zero Income Statement
- Proof of public assistance, e.g. Temporary Assistance to Needy Families (TANF) recipients, etc.
- Proof of participation in a federally assisted program such as job training programs, etc.
- Proof of participation in a state or local assistance program, or other program that assists low-

or very-low income persons

- Lease or other proof of participation in a HUD or other federally assisted program

The HUD Income Determination website is available online. You may find other North Carolina income data sets at the following address:

http://www.huduser.gov/portal/datasets/il/il2021/select_Geography.odn

Once NCORR determines an individual is deemed job-ready and has completed all eligibility requirements, the Section 3 Coordinator sends a letter confirming the certification has been approved and will be added to a list of Section 3 certified residents. Lists can also be obtained by contacting the local housing authority or local housing authority Section 3 Coordinator. NCORR provides a list of all the Section 3 certified residents to subgrantees, subrecipients, contractors, subcontractors, and/or developers post-award, or as requested.

One determined eligible, NCORR also provides Section 3 and Targeted Section 3 Workers with a list of NCORR approved contractors to contact regarding possible employment. To the extent feasible, NCORR will also maintain a list of North Carolina local housing authorities within close proximity to Most Impacted and Distressed areas (MIDs) and projects being funded by NCORR.

PROJECTS INVOLVING MULTIPLE SOURCES OF FUNDING

In cases where Section 3 covered projects include multiple sources of funds, including public housing financial assistance and housing and community development assistance, the PHA is required to follow the definition of Targeted Section 3 worker and priorities as outlined in subpart B of Part 75. For housing and community development financial assistance, NCORR may follow either subpart B or subpart C of Part 75.

For projects that include public housing financial assistance and housing and community development financial assistance, NCORR will follow subpart B to maintain consistency in reporting.

In cases where Section 3 covered projects include multiple housing and development funding sources (financial assistance) from single or multiple recipients, such as a project using both FEMA and CDBG-Mitigation funds or PHA and CDGB-DR funds, NCORR will follow subpart C of Part 75. Refer to chart in Appendix B.

B. SECTION 3 BUSINESS CONCERN CERTIFICATION

NCORR shall encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements may self-register in the HUD Business registry: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>. Businesses may seek Section 3 Business Concern preference by demonstrating that it meets one or more of the following criteria:

1) At least fifty-one percent (51%) of the business is owned and controlled by low- or very low-income persons; or

2) At least fifty-one percent (51%) of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or

3) Over seventy-five percent (75%) of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Businesses that seek Section 3 preference shall certify, or demonstrate to NCORR, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form, located in Appendix D (Business Application).

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If NCORR previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted prior to the prescribed expiration date. The Section 3 Business Concern Certification Form will expire after 12 months. Establishing a 12-month certification of eligibility period allows NCORR the ability to assess contractor performance to ensure the business is striving to meet the required goals.

5. Assisting Contractors with Achieving Section 3 Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, NCORR will do the following:

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures
- 2) Require contractors wishing to submit a bid/offer/proposal to attend pre-bid meeting
- 3) Require contractors to sign Section 3 Plans at pre-construction conferences
- 4) Review Section 3 benchmarks and prioritization of effort requirements with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees; contractors and subcontractors are encouraged to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by giving priority to qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort requirements outlined in Section #3 of this manual) when hiring additional employees needed to complete proposed work to be performed with NCORR CDBG-DR and CDBG-MIT funds.
- 5) At the time of bid, require the contractor to present a list of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates
- 6) Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information
- 7) Inform contractors about the HUD Section 3 Opportunity Portal
<https://hudapps.hud.gov/OpportunityPortal/>
- 8) Require contractors to notify the NCORR Section 3 Coordinator of their interests regarding

employment of Section 3 workers prior to hiring

- 9) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
- 10) Leverage NCORR's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise
- 11) Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award

6. Section 3 Outreach

A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, NCORR's Section 3 Coordinator will provide and/or coordinate for training and technical assistance on a regular basis per program guidelines. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Section 3 Coordinator when training opportunities are available
- 2) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers
- 3) Conduct an annual training for Section 3 workers and Section 3 businesses

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- 1) Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher";
- 2) Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings
- 3) Working with the Section 3 Coordinator to connect Section 3 worker and Targeted Section 3 workers in the NCORR's database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates
- 4) Establishing and maintaining a current list of Section 3 eligible applicants
- 5) Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
- 6) Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
 - a. Advertising job opportunities via social media, including LinkedIn and Facebook;
 - b. Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices

- c. Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

B. OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the use of CDBG-DR or CDBG-MIT funds, NCORR will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating mandatory pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
- 6) Coordinating with North Carolina's Department of Commerce, Department of Administration Historically Underutilized Businesses, and other business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns. Could include local community development organizations, business development agencies (Chamber of Commerce), and minority contracting associations.
- 7) Connecting Section 3 business concerns with resources to support business development to assist in obtaining contracting opportunities (e.g., bonding and insurance assistance, etc.). Contractors will also be encouraged to collaborate with NCORR as subcontract opportunities arise in an effort to notify eligible Section 3 business concerns about the contracting opportunities.
- 8) Training/webinar on outreach?

7. Section 3 Contracting and Subrecipient Agreement Policy and Procedure

NCORR will incorporate Section 3 in its existing Procurement Policy. NCORR will also adopt a Section 3 Contracting Policy and Procedure and agreements to be included in all procurements and agreements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns. Non-professional services contracts or agreements over \$200,000 trigger Section 3. When triggered, best efforts must be made to extend Section 3

opportunities to verified Section 3 residents and business concerns to meet these minimum numeric goals:

- Twenty-five percent (25%) of the total hours on a Section 3 project must be worked by Section 3 workers; and
- Five percent (5%) of the total hours on a Section 3 project must be worked by Targeted Section 3 workers.

Preference for Contracting with Section 3 Business Concerns

North Carolina Office of Recovery and Resiliency is required by HUD Regulation 24 CFR Part 75 to make best efforts to contract with businesses that direct economic opportunities to Section 3 workers. As part of its qualitative efforts, North Carolina Office of Recovery and Resiliency has elected to institute a preference which stipulates that contract award shall be given to the bidder using the highest number of qualified Section 3 subcontractors and/or workers if the bid is reasonable and no more than ten percent (10%) higher than the lowest responsive bid from any qualified source. This benefit applies to ALL projects, even if Section 3 is not triggered.

Programmatic Responsibilities

Contractors and/or Subcontractors are expected to meet the minimum goals as stated in this section, to the greatest extent feasible. (Note: Section 3 may not be required for all projects, but best efforts to comply with the minimum numerical goals are still highly recommended). All efforts to utilize Section 3 businesses and workers should be documented and a Section 3 Project Plan must be submitted for all relevant project bids.

All contractors and businesses seeking Section 3 preference must, before submitting bids or proposals to NCORR, be required to complete certifications as appropriate. Such certification shall be adequately supported with appropriate documentation as referenced in the Section 3 Business Concern Certification Form.

8. Section 3 Language Requirement for all Contract, Subrecipient, and/or other agreements

NCORR will include standard Section 3 language in all of its agreements and contracts to ensure compliance with regulations in 24 CFR Part 75. NCORR will take appropriate actions upon finding that a partner, subrecipient, or contractor is in violation of 24 CFR Part 75. On a periodic basis the Section 3 Coordinator will audit NCORR contractors for compliance with the minimum Section 3 requirements outlined in the Section 3 Plan.

All Subrecipient Agreements as well as Section 3 covered contracts and subcontracts must contain the following clause:

- I. The work to be performed under this agreement or contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC.1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance, or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income

persons, particularly persons who are recipients of HUD assistance for housing, and business concerns which provide economic opportunity to low- and very low-income persons.

- II. The parties to this agreement or contract agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this agreement or contract, the parties to this agreement or contract certify that they are under no contractual or other impediment that would prevent them from complying with the 24 CFR part 75 regulations.
- III. The subrecipient or contractor agrees to send to each labor organization or representative of workers with which the subrecipient or contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the subrecipient or contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- IV. The subrecipient or contractor agrees to include this Section 3 Clause in every contract or subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate actions, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 75. The subrecipient or contractor will not contract or subcontract with any subcontractor where the subrecipient or contractor has notice or knowledge that the contractor or subcontractor has been found in violation of the regulations in 24 CFR part 75.
- V. The subrecipient or contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- VI. The subrecipient or contractor agrees to retain documentation demonstrating which workers meet the definition of a Section 3 Worker or Targeted Section 3 Worker at the time of hire or the first reporting period, as follows:
 - (1) For a worker to qualify as a Section 3 Worker, one of the following documentations must be maintained:
 - (a) A worker's self-certification that their income is below the income limit from the prior calendar year;
 - (b) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
 - (c) Certification from a Public Housing Authority (PHA), or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the

worker is a participant in one of their programs;

(d) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(e) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 Worker, one of the following must be maintained:

(a) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(b) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(c) An employer's certification that the worker is employed by a Section 3 business concern; or

(d) A worker's certification that the worker is a Youth Build participant;

(e) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(f) An employer's certification that the worker is employed by a Section 3 business concern; or

(g) A worker's self-certification that the worker is a Youth Build participant.

VII. In accordance with 24 CFR Part 75.25(a), the subrecipient or contractor agrees to document the following labor hours (including total hours worked by all contractors and subcontractors) for Section 3 projects and to provide such documentation for review by the Subrecipient:

- The total number of labor hours worked by all workers,
- The total number of labor hours worked by Section 3 Workers, and
- The total number of labor hours worked by Targeted Section 3 Workers.

VIII. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this agreement or contract for default, and debarment or suspension from future HUD assisted contracts.

IX. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC 450e) also applies to the work to be performed under this contract. Section 7(b)

requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

9. Reporting Requirements

For Section 3 covered contracts (construction exceeding \$200,000), subrecipient and contractors must submit the Section 3 Performance and Summary Report to NCORR's Section 3 Coordinator on a monthly basis, and the annual reporting requirement set forth in that form's instructions. See reporting formats in Appendix C: Project Implementation Plan, Form 6 – Section 3 Project Compliance Report.

A. MONTHLY REPORTING

Contractors are required to submit monthly activity reports to NCORR's Section 3 Coordinator section3@rebuild.nc.gov by the 10th day of each month for the previous month.

B. ANNUAL REPORTING

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
- 2) Upon the completion of any project valued at more than \$200,000, NCORR's Section 3 Coordinator will conduct a final review of the project's overall performance and compliance.
- 3) NCORR's Section 3 Coordinator will submit the Section 3 data quarterly to the Finance's DRGR team to make quarterly submissions to HUD using DRGR.

C. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

- 1) For Section 3 projects that include public housing financial assistance and housing and community development financial assistance, the Housing Finance Association will report on the project as a whole and will identify the multiple associated recipients.
- 2) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds of \$200,000 and \$100,000 for Lead Hazard Control and Healthy Homes Programs (LHCHH), NCORR will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD.

Note 1: NCORR does not currently have LHCHH funds so lead and/or asbestos abatement falls under housing and abatement costs are part of the \$200,000 threshold,

Note 2: LHCHH assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. HUD public housing financial assistance and HUD housing and community development financial assistance is not included in calculating whether the assistance exceeds the LHCHH \$100,000 threshold. Refer to chart in Appendix B.

10. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance, NCORR may utilize either an internal process, or if the complainant wishes to proceed outside of NCORR, through an external process. In either case, NCORR encourages submittal of such complaints to its Section 3 Coordinator as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within 90 calendar days after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. NCORR will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) NCORR will provide written documentation detailing the findings of the investigation. NCORR will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than 90 days after the filing of complaint.

If complainants wish to have their concerns considered outside of NCORR, a complaint may be filed with the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be contacted through the HUD website, <http://www.hud.gov> or by writing to:

NORTH CAROLINA REGIONAL FIELD OFFICE FHEO

Intake Branch Officer or Designee

U.S. Department of Housing and Urban Development, Region IV

Asheville Federal Building

1500 Pinecroft Road, Suite 401

Greensboro, NC 27407-3838

A written complaint must contain:

- Name and address of the person filing the complaint
- Name and address of the subject of complaint (HUD Recipient or Contractor)
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective actions sought

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: www.EEOC.gov.

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

11. Appendices

APPENDIX A: DEFINITIONS

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq. activities related to Public Housing

Best Efforts means the contractor provides their best effort and greatest extent feasible to meet Section 3 plan goals. Reported results will be compared to the outcome metrics defined in the benchmark notice. NCORR program staff will evaluate the level of effort expended by contractors that fail to meet the benchmark safe harbor, and thus will ensure that the statutory terms are being properly enforced. NCORR has decided not to distinguish between the two terms, but rather focus on the outcomes produced toward meeting the Section 3 benchmarks and goals.

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance (24 CFR 75.5).

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in 24 CFR Part 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

- 1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - a. It is at least 51 percent owned and controlled by low- or very low-income persons;
 - b. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
 - c. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- 2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
- 3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 Coordinator is person tasked with overseeing all Section 3 responsibilities for the PHA/CD office.

Section 3 project means a project defined in 24 CFR Part 75.3(a)(2) including housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. The requirements of Part 75 apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

Section 3 Utilization Plan means a comprehensive document that identifies the goals, objectives, and actions that will be implemented by Awardees and/or Contractors to ensure compliance with the requirements of Section 3. The plan identifies a list of strategies to be adopted for compliance with the stated employment, training and contracting goals.

Section 3 worker means:

- 1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - a. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - b. The worker is employed by a Section 3 business concern.
 - c. The worker is a YouthBuild participant.
- 2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
- 3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

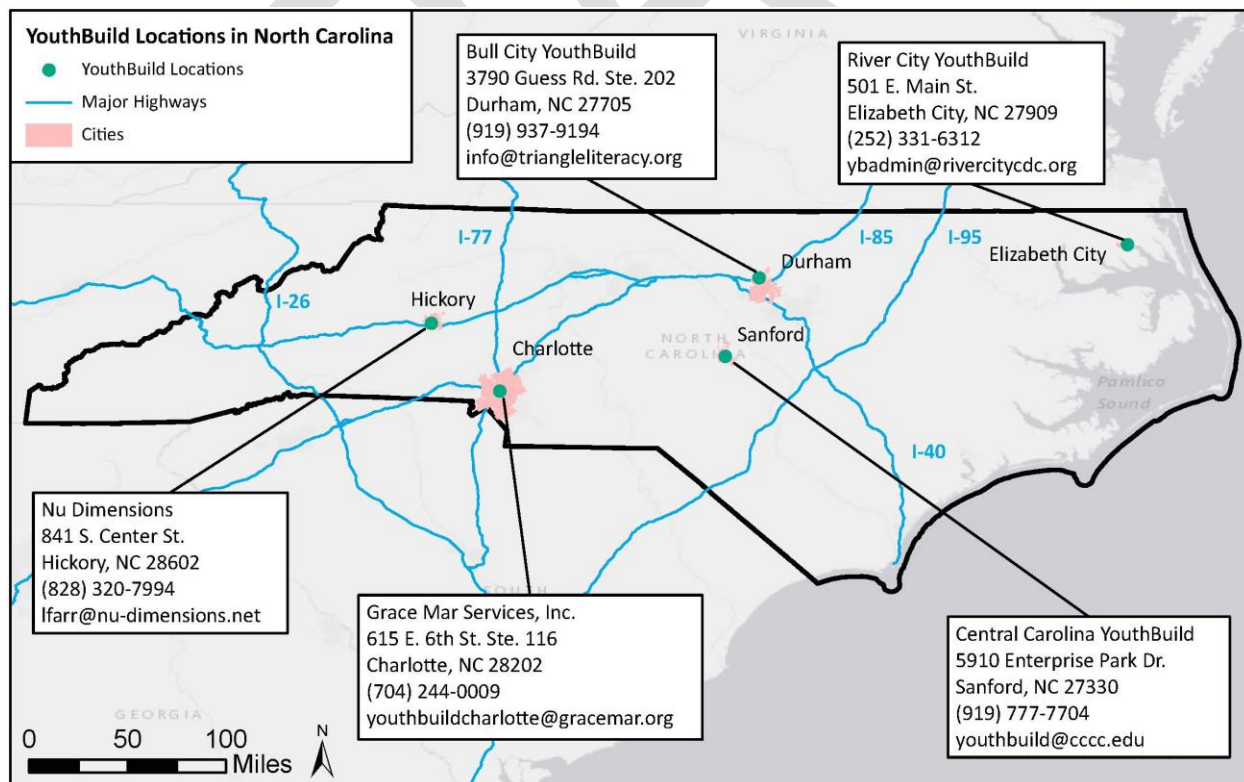
Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in 24 CFR Part 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226). See the map below for YouthBuild program locations in North Carolina.



APPENDIX B: MULTIPLE FUNDING SOURCES – CHART

TYPE OF FINANCIAL ASSISTANCE	DEFINITIONS *TARGETED SECTION 3 WORKER	THRESHOLDS	PRIORITIZATION	REPORTING
Public Housing and Housing and Community Development	PHA – must follow subpart B of Part 75 HCD – may follow subpart B or C of Part 75	None *Any amount of PH assistance triggers Section 3	PHA – must follow subpart B of Part 75 HCD – may follow subpart B or C of Part 75	PHA – must follow subpart B of Part 75 HCD – may follow subpart B or C of Part 75 Both - Must report on project as a whole and identify the multiple associated recipients
Multiple Sources of Housing and Community Development (single or multiple recipients)	Must follow subpart C of Part 75	Exceeds \$200,000 for Section 3 projects *LHCHHP exceeds \$100,000	Must follow subpart C of Part 75	Must follow subpart C of Part 75 Must report on project as a whole and identify the multiple associated recipients Must report to the applicable HUD program office, as prescribed by HUD.

APPENDIX C: CONTRACTOR PROJECT IMPLEMENTATION PLAN

North Carolina Office of Recovery and Resiliency Section 3 Project Implementation Plan

NOTE TO BIDDERS: You must return ALL applicable forms in this packet with your bid. Failure to do so may result in your bid being disqualified.

Section 3 Goals

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires recipients of certain HUD financial assistance to provide job training, employment, and contracting, to the greatest extent feasible, for low- or very low-income residents in connection with projects and activities in their neighborhoods. Section 3 is race and gender-neutral and is NOT the same as WBE/MBE.

Contracts over \$200,000 trigger Section 3. When triggered, best efforts must be made to extend Section 3 opportunities to verified Section 3 residents and business concerns to meet these *minimum* numeric goals:

1. Twenty-five percent (25%) of the total hours on a Section 3 project must be worked by Section 3 workers; and
2. Five percent (5%) of the total hours on a Section 3 project must be worked by Targeted Section 3 workers.

Preference for Contracting with Section 3 Business Concerns

North Carolina Office of Recovery and Resiliency is required by HUD Regulation 24 CFR Part 75 to make best efforts to contract with businesses that direct economic opportunities to Section 3 workers. As part of its qualitative efforts, North Carolina Office of Recovery and Resiliency has elected to institute a preference which stipulates that contract award shall be given to the bidder using the highest number of qualified Section 3 subcontractors and/or workers if the bid is reasonable and no more than ten percent (10%) higher than the lowest responsive bid from any qualified source. This benefit applies to ALL projects, even if Section 3 is not triggered.

Programmatic Responsibilities

Contractors and/or Subcontractors are expected to meet the minimum goals listed above, to the greatest extent feasible. (Note: Section 3 may not be required for all projects, but best efforts to comply with the minimum numerical goals are still highly recommended.) All efforts to utilize Section 3 businesses and workers should be documented, and this Section 3 Project Plan should be submitted for all relevant project bids.

Submit FORMS 1 & 2 for all projects or FORMS 1 – 4 and 6 for all Section 3-triggered projects (over \$200,000) at the time of the bid submission or application for funding.

Section 3 Project Implementation Plan

FORM 1 – SECTION 3 ASSESSMENT AND CERTIFICATIONS

This form is required for ALL projects and must be submitted with bid or application for funding.

Project Name:
Project Location or Address(es):

Developer/Contactor Information:

Name of Firm:	Address:
Authorized Representative:	Title:
Phone:	Email:

1. Check all that apply to your business:

- ☐ Your business is at least 51% owned and controlled by low- or very low-income persons
- ☐ Over 75% of the labor hours performed by your business over the past three-month period were performed by Section 3 workers
- ☐ Your business is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing
- ☐ None of the above

2. Will you be hiring new employees or providing new training opportunities because of this contract? ☐ Yes ☐ No

3. Will you be using subcontractors to complete this project? ☐ Yes ☐ No

4. Is your bid/contract amount greater than \$200,000? ☐ Yes ☐ No

If response to item 4 above is "YES," Section 3 requirements will be fully enforced on this project. Failure to comply may result in the suspension of funding. Please complete the certifications below and submit FORMS 1-4 with your bid or application for funding.

If NO, Section 3 participation is strongly encouraged but not required. Please attempt to meet the Section 3 goals to the greatest extent feasible. You must still complete the certifications below as applicable and return FORMS 1 and 2 with your bid or application for funding.

Certifications		YES	NO	N/A
All Projects:	By completing and signing this form, I agree to comply with all applicable requirements of the Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 75)	<input type="checkbox"/>	<input type="checkbox"/>	
	I understand that I must complete and submit FORMS 1 and 2 and submit them with my bid even if my bid is under \$200,000.	<input type="checkbox"/>	<input type="checkbox"/>	
Projects over \$200K:	I have included/will include the Section 3 Clause (FORM 5) in all subcontracts for which Section 3 compliance is required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	I understand that I am required to submit monthly and final Section 3 reports (FORM 6), associated forms as applicable (FORMS 2, 3 and 4) and supporting documentation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	I agree that my company has made and will continue to make efforts "to the greatest extent feasible" to comply with Section 3 as required by HUD.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	I understand the minimum numerical goals for Section 3 participation and I have completed FORMS 1 through 4, and 6 and attached them to my bid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I declare that all statements contained in this form and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answer to any question may be grounds for denial or revocation of funding or other penalties as prescribed under 18 U.S. Code § 1001.

Authorized Representative Signature

Date

Section 3 Project Implementation Plan

FORM 2 – SUBCONTRACTOR INFORMATION

This form is required for ALL projects (regardless of whether Section 3 is triggered) and must be submitted with bid or application for funding. If project is over \$200,000 in HUD funds, this form must be updated and re-submitted at the time of contract execution and again with the final Section 3 compliance report.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

Check the box that applies and complete the table if applicable:

- ☐ This project WILL NOT utilize subcontractors. (Form Complete)
- ☐ This project MAY utilize the following subcontractors:

No.	Sect3 Bus.	Subcontractor Name	Subcontractor Address and Phone Number	Trade	Subcontract Amount
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

Section 3 Project Implementation Plan

FORM 3 – LIST OF PERMANENT EMPLOYEES

This form is required for all Section 3-triggered projects (over \$200,000) and must be submitted with bid or application for funding and again with the final Section 3 compliance report.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

Please list all current permanent employees (both full and part-time) employed by your company (or local/regional office) as of the signature date on FORM 1, as well as employees of all subcontractors working on this project. Use additional sheets as necessary. A computer-generated employee registry can be provided in lieu of this form if it includes the worker's name, employer and job category and indicates Section 3/targeted Section 3 status either with yes or no or manually highlighted.

No.	Name of Worker	Employer	Job Category/Trade	Section 3 Worker (Y/N)	Targeted Section 3 Worker (Y/N)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					

Please note that your business may be eligible for Section 3 Business certification if at least 75% of your labor hours performed on all contracts over the past three-month period were performed by employees who meet one of the following categories below:

- The worker lives within one mile of the Section 3 project (or, if fewer than 5,000 people live within one mile of the Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census);
- The worker is a HUD YouthBuild participant; or
- The worker's income for the previous or annualized calendar year is below 80% of the current area median income for the area in which the worker resides. (Use the worker's annual gross income based on AMI for a single-person household.) HUD income limits can be found at <https://www.huduser.gov/portal/datasets/il.html>.)

Section 3 Project Implementation Plan

FORM 4 – DOCUMENTATION OF QUALITATIVE EFFORTS

This form is required for all Section 3-triggered projects (over \$200,000) and must be submitted with bid or application for funding, as well as with all monthly or final compliance reports that indicate numeric goals were not met. Please fill out this form completely. Attach additional pages if needed.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

1. Describe all efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, to Section 3 workers. Attach additional pages if needed.

Attach supporting documentation such as:

- Copies of all publications, notices, pictures of posted notices, and other outreach materials.
- List of all Section 3 workers that responded to your outreach efforts (e.g., submitted job applications, phone logs, etc.); were any of them hired? If not, please explain why.

--

2. Describe all efforts made to notify Section 3 businesses of any subcontracting opportunities generated by HUD financial assistance for this project, to the greatest extent feasible. Attach additional pages if needed.

Attach supporting documentation such as:

- Section 3 Business List used in solicitation. Must have been provided by North Carolina Office of Recovery and Resiliency prior to solicitation and should be no more than 30 days old at the time of solicitation.
- List of Section 3 business included in solicitation and documentation of efforts (emails, letters, phone logs, etc.).
- List of Section 3 businesses that responded to your solicitation and/or outreach efforts; were any of them hired? If not, please explain why.
- Copies of all publications, notices, pictures of posted notices, and any other outreach material utilized.

--

FORM 4 – DOCUMENTATION OF QUALITATIVE EFFORTS (CONTINUED)

3. Describe all additional qualitative efforts made to comply with Section 3 requirements. See below for examples. Attach all applicable supporting documentation.

4. If there are employment opportunities associated with your project, include a draft of the proposed signage. Section 3 signage should be posted at the construction site. Signage must be large enough to be visible from the street. The sign must (a) identify the name of the project, (b) state the project is a HUD Section 3 Project, and (c) include the name, phone number and email address of an appropriate point of contact regarding employment opportunities.

Examples of Qualitative Efforts

- Engage in outreach efforts to generate job applicants who are Targeted Section 3 workers
- Provide training or apprenticeship opportunities
- Provide technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching)
- Assist or connect Section 3 workers with drafting resumes, preparing for interviews, and finding job opportunities
- Hold one or more job fairs
- Provide or refer Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare)
- Provide assistance to apply for or attend community college, a four-year educational institution, or vocational/technical training
- Help Section 3 workers to obtain financial literacy training and/or coaching
- Engage in outreach efforts to identify and secure bids from Section 3 business concerns
- Provide technical assistance to help Section 3 business concerns understand and bid on contracts
- Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns
- Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
- Promote use of business registries designed to create opportunities for disadvantaged and small businesses
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act
- Other:

FORM 5 – SECTION 3 CONTRACT CLAUSE

All Section 3 covered contracts and subcontracts must include the following clause:

- I. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC.1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance, or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- II. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with 24 CFR part 75 regulations.
- III. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- IV. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate actions, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.
- V. The contractor will certify that any vacant employment positions, including training positions, that are filled after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- VI. The contractor agrees to retain documentation demonstrating which workers meet the definition of a Section 3 Worker or Targeted Section 3 Worker at the time of hire or the first reporting period, as follows:
 - (a) For a worker to qualify as a Section 3 Worker, one of the following documentations must be maintained:
 - (1) A worker's self-certification that their income is below the income limit from the prior calendar year;
 - (2) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
 - (3) Certification from a Public Housing Authority (PHA), or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
 - (4) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
 - (5) An employer's certification that the worker is employed by a Section 3 business concern.

Section 3 Project Implementation Plan

- (b) For a worker to qualify as a Targeted Section 3 Worker, one of the following must be maintained:
- (1) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;
 - (2) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
 - (3) An employer's certification that the worker is employed by a Section 3 business concern; or
 - (4) A worker's certification that the worker is a Youth Build participant;
 - (5) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
 - (6) An employer's certification that the worker is employed by a Section 3 business concern; or
 - (7) A worker's self-certification that the worker is a Youth Build participant.
- VII. In accordance with 24 CFR Part 75.25(a), the contractor agrees to document the following labor hours (including total hours worked by all contractors and subcontractors) for Section 3 projects and to provide such documentation for review by the Subrecipient:
- The total number of labor hours worked by all workers,
 - The total number of labor hours worked by Section 3 Workers, and
 - The total number of labor hours worked by Targeted Section 3 Workers.
- VIII. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- IX. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

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FORM 6 – SECTION 3 PROJECT FORECAST AND COMPLIANCE REPORT

This form is required for all Section 3-triggered projects (over \$200,000) and must be submitted **every 30 days beginning [date of contract award]**. The final report is due **30 days after project completion**.

Project Name:	Contractor:
Project Location:	Report Type: <input type="checkbox"/> Monthly <input type="checkbox"/> Final
Reporting Period Start Date:	Reporting Period End Date:

I. SECTION 3 CONTACT INFORMATION

Contractor Section 3 Point of Contact:	
Phone:	Email:

II. SECTION 3 HOURS PROJECTED / WORKED – *Forecast the total project labor hours and report the number of Section 3 hours for this reporting period. Attach time records to support the information provided.*

A. Total hours projected for the project / hours worked this period by all workers	B. Number of Section 3 hours projected for the project / hours worked this period	% Section 3 hours (Divide column B by column A)

III. TARGETED SECTION 3 HOURS PROJECTED / WORKED – *Forecast the targeted section3 labor hours and report the number of targeted Section 3 hours for this reporting period. Attach time records to support the information provided.*

A. Total hours projected for the project / hours worked this period by all workers	B. Number of targeted Section 3 hours projected for this project / hours worked this period	% Targeted Section 3 hours (Divide column B by column A)

IV. QUALITATIVE EFFORTS – If this report indicates numeric goals were not met, attach FORM 4 describing any qualitative efforts made to increase Section 3 participation for this reporting period.

V. ADDITIONAL ATTACHMENTS – For the final Section 3 compliance report, attach FORMS 2 and 3 with updated information (versions 2 or 3).

I declare that all statements contained in this form and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answer to any question may be grounds for denial or revocation of funding or other penalties as prescribed under 18 U.S. Code § 1001.

Signature: _____

Date: _____

Print Name: _____

Title: _____

Section 3 Project Implementation Plan

FORM 7 – SECTION 3 BUSINESS OUTREACH FORM

Please complete this form to determine if your business may qualify as a Section 3 Business. Businesses that qualify will be contacted by the North Carolina Office of Recovery and Resiliency Section 3 Coordinator to complete a Section 3 Business Application and asked to provide additional documentation to verify their status as a Section 3 Business.

What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (24 CFR Part 75) that requires recipients of certain HUD financial assistance, to the greatest extent possible, to provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhood.

A business can qualify as Section 3 if it meets one of the following criteria:

- A. It is at least 51% owned and controlled by low- or very low-income persons;
- B. Over 75% of the labor hours performed for the business over the past three-month period were performed by workers who met at least one of the criteria below; or
- C. It is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Workers must meet one of the following criteria for a business to qualify as Section 3 under item B above:

- Reside within one mile of the Section 3 project (or, if fewer than 5,000 people live within one mile of the Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census);
- Be a HUD YouthBuild participant; or
- Income for the previous or annualized calendar year is below 80% of the current area median income for the area in which the worker resides. (Use the worker's annual gross income based on AMI for a single-person household.) HUD income limits can be found at <https://www.huduser.gov/portal/datasets/il.html>.)

Subcontractor Information

Company Name:		
Contact Person:		
Address:		
City:	State:	Zip:
Phone:	Email:	

- ☐ I have reviewed the above information and my business MAY QUALIFY as a Section 3 Business. Please contact me about completing an application.
- ☐ I have reviewed the above information and my business DOES NOT QUALIFY as a Section 3 Business.

Signature of Business Owner

Date

Please return completed forms to:
North Carolina Office of Recovery and Resiliency
Attn: Section 3 Program
PO Box 110465
Durham, NC 27709
984-833-5402, Section3@rebuild.nc.gov

Section 3 Project Implementation Plan

FORM 8 – SECTION 3 WORKER OUTREACH FORM

Please complete this form to determine if you may qualify as a Section 3 or Targeted Section 3 Worker. Workers who qualify will be contacted by North Carolina Office of Recovery and Resiliency Section 3 Coordinator to complete a Section 3 Worker Application and asked to provide additional documentation to verify their status as a Section 3 or Targeted Section 3 Worker.

What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (24 CFR Part 75) that requires recipients of certain HUD financial assistance, to the greatest extent possible, to provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhood.

A worker can qualify as Section 3 if they meet one of the following criteria:

- Are employed by a Section 3 business concern;
- Are a HUD YouthBuild participant; or
- Their income for the previous or annualized calendar year is below 80% of the current area median income for the area in which the worker resides. (Use the worker's annual gross income based on AMI for a single-person household.) HUD income limits can be found at <https://www.huduser.gov/portal/datasets/il.html>.)

A worker can qualify as targeted Section 3 if they meet one of the following criteria:

- Are employed by a Section 3 business concern.
- Are a HUD YouthBuild participant; or
- Reside within one mile of the Section 3 project (or, if fewer than 5,000 people live within one mile of the Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census);

Worker Information

Name:		
Employer Name:		
Address:		
City:	State:	Zip:
Phone:	Email:	

- ☐ I have reviewed the above information and I MAY QUALIFY as a Section 3 or Targeted Section 3 worker. Please contact me about completing an application.
- ☐ I have reviewed the above information and I DO NOT QUALIFY as a Section 3 or Targeted Section 3 worker.

Signature

Date

Please return completed forms to:
North Carolina Office of Recovery and Resiliency
Attn: Section 3 Program
PO Box 110465
Durham, NC 27709
984-833-5402, Section3@rebuild.nc.gov

APPENDIX D: SECTION 3 BUSINESS APPLICATION

Completed applications should be submitted to:

North Carolina Office of Recovery and Resiliency
Attn: Section 3 Program
PO Box 110465
Durham, NC 27709

If you have any questions on the application process
Please contact the Section 3 Program
984-833-5402, **Section3@rebuild.nc.gov**

Section 3 Business Application

Section 3 Business Application Checklist:

- ☐ Complete Section 3 Business Application
- ☐ Organizational Information
 - Articles of Incorporation or Organization (as applicable to business type)
 - Assumed Business Name Certificate
 - Certificate of Good Standing or Active status (as applicable to business type)
 - Partnership Agreement (if applicable)
 - Organizational Chart with Job Titles and Duties
 - Evidence of Business License
 - Other Applicable Documentation
- ☐ Qualifying Section 3 Criteria (Check applicable qualifying criteria below and include all requested supporting documentation)
 - 51% or more owned by low- or very low-income individuals;
 - 51% or more owned by a resident of public housing; or
 - 75% of all hours worked over the prior three months worked by Section 3 workers
- ☐ Other Pertinent Information
 - Insurance Certificates
 - Current Financial Statement
 - Statement of Ability to Comply with Public Policy
 - List of all contracts for the past two years
 - W-9 (see last page of this application)

Section 3 Business Application

Name of Business _____

Physical Address _____

City, State, Zip _____

Mailing Address, if different _____

City, State, ZIP _____

Owner's Name (Please include a copy of State ID or Driver's License) _____

Telephone Number, including area code _____

Email _____

Date Company was established _____

ORGANIZATIONAL INFORMATION

All questions must be answered and the data given must be clear and comprehensive. If necessary, questions may be answered on separate attached sheet(s).

The company is a: ☐ Sole Proprietorship ☐ Partnership ☐ Joint Venture
 ☐ Corporation (please enclose a copy of corporation papers and corporate seal)
 ☐ Limited Liability Company (LLC)

General type of work performed by your Company (i.e. general contracting, HVAC, etc.):

Is your company Minority owned (MBE)? Yes ☐ No ☐ Woman owned (WBE)? Yes ☐ No ☐
(Optional – For reporting purposes only)

Is this business licensed to operate in the certifying locality? Yes ☐ No ☐ (Enclose a copy if yes)

Please check and attach the following Business Entity documents, as applicable:

- | | |
|--|---|
| <input type="checkbox"/> Copy of Articles of Incorporation | <input type="checkbox"/> Assumed Business Name Certificate |
| <input type="checkbox"/> Certificate of Good Standing | <input type="checkbox"/> Partnership Agreement Organization |
| <input type="checkbox"/> Chart with titles & duties | <input type="checkbox"/> Other Documentation |

Section 3 Business Application

The Applicant must have at least the following insurance coverage for Section 3 contract work:

- Commercial General Liability on an occurrence form for:
 - Bodily injury, and
 - Property damage liability

General Contractor limits of \$2,000,000 combined single limit each occurrence covering the Project specifically, and umbrella excess liability of \$5,000,000
Subcontractor limits will be \$1,000,000 combined single limit occurrence, and \$2,000,000 umbrella excess liability
- Worker's Compensation:
 - Statutory limits required by State Law
 - Employer's Liability: \$100,000
- Comprehensive Automobile Liability
 - Bodily Injury: \$1,000,000 Each Person
 \$1,000,000 Each Occurrence
 - Property Damage: \$1,000,000 Each Occurrence

A copy of above insurance certificates must accompany this application. Coverage shall be maintained for the life of each contract or subcontract. Lapse of coverage may result in termination of contract and/or termination of approval to participate by the certifying entity.

The Applicant must have a satisfactory record of past work. Applicants with limited or no past performance will be accepted on a "probation" basis, and will not be awarded more than one contract at a time.

Please provide evidence of ability to perform successfully under the terms and conditions of other contracts:

- ☐ Current Financial Statement
- ☐ Statement of Ability to Comply with Public Policy
- ☐ List of all contracts for the past two (2) years

Section 3 Business Application

QUALIFYING SECTION 3 CRITERIA

The Applicant must satisfy at least one of the following minimum requirements to be qualified as a Section 3 Business Concern. Please check the appropriate box(es):

- ☐ At least 75% of all hours worked over the prior three-month period worked by Section 3 workers (attach supporting documentation)
- ☐ 51% or more owned by low- or very low-income individuals as determined by current HUD income limits for the area where the individual resides (<https://www.huduser.gov/portal/datasets/il.html>)

NAME & ADDRESS OF OWNER(S)	TITLE	% OWNER	ADJUSTED GROSS INCOME (Attach current proof of income)

- ☐ 51% or more owned by residents of public housing

NAME & ADDRESS OF OWNER(S)	TITLE	% OWNER	PUBLIC HOUSING RESIDENT (Attach current public housing lease)

Please sign the statement below certifying accuracy and authorizing the release of information to the certifying entity for the purpose of verifying your references. We have the right to request any additional information to validate information presented.

I certify that my answers are true and complete to the best of my knowledge. I hereby authorize the release of information to the certifying entity for the purpose of verifying my references.

Signature

Date

Section 3 Business Application

FIELDS OF INTEREST AND EXPERIENCE

Please indicate the areas of interest and the length of experience within each capacity:

Construction-Related Services	Interest	Length of Experience	Non-Construction/Post-Construction Services	Interest	Length of Experience
Architecture			Appraisal Services		
Bricklaying			Archeology		
Carpentry			Building Inspection Services		
Cement/Masonry			Building Maintenance		
Demolition			Catering		
Drywall			Computers/IT		
Electrical			Courier Services		
Elevator Construction			Engineering		
Engineering			Janitorial		
Environmental Services			Landscaping		
Fencing			Legal Services		
Flooring Installation			Management Consulting		
Heating			Marketing/Photography		
Insulation/Siding			Printing		
Iron Works			Real Estate Services		
Landscaping			Security		
Machine Operation			Surveying Services		
Painting			Transportation		
Plastering			Other:		
Plumbing			Other:		
Roofing			Other:		

What size of jobs in the areas indicated above are preferred?

Please list the suppliers with whom you do business (include the name, address and phone number):

Please list the Subcontractors with whom you regularly do business, if any, and indicate if they areSection 3 qualified*.

Section 3 Business Application

A. Carpentry:	_____	Y/N
B. Electrical:	_____	Y/N
C. Plumbing:	_____	Y/N
D. Roofing:	_____	Y/N
E. Masonry:	_____	Y/N
F. Mechanical:	_____	Y/N
G. Painting:	_____	Y/N
H. Other:	_____	Y/N
I. Other:	_____	Y/N
J. Other:	_____	Y/N

*Section 3 qualified businesses may receive preference on federally funded projects

OTHER PERTINENT INFORMATION

Have you ever been convicted of violating Federal, State or Local Law in the course of discharging your duties as a contractor? YES _____ NO _____

If yes, please explain:

Have you ever been disbarred from participating as a contractor in any Federal, State or Local program?

YES _____ NO _____

If yes, please explain:

Are you a licensed lead-based paint abatement contractor? YES _____ NO _____

If yes, please provide a copy of all worker supervisor and contractor licenses.

Section 3 Business Application

Please complete and return the attached W-9 form (found on the last page of this application) along with this application.

REFERENCES

Name	Address	Phone number	Years Associated
Banks			
Trades			
Subcontractors			

Section 3 Business Application

CERTIFICATION

I certify that all of the above information is correct and true to the best of my knowledge, under the penalty of law. I understand that this information will be used to determine my eligibility for the North Carolina Office of Recovery and Resiliency Section 3 Program, which utilizes funds from the U.S. Department of Housing and Urban Development. The participating agencies do not discriminate against any person because of race, color, religion, sex, handicap, family status, or national origin. I understand that this application may be rejected if I withhold information requested or provide falsified information.

I understand that a Section 3 Business Concern certification is not an offer of employment. By signing this document I give the certifying entity permission to place my contact information on a list to be shared with businesses and community partners when they are hiring for Section 3 covered projects in the area. If awarded a HUD-funded contract, I agree to comply with all federal and local reporting requirements.

*Printed Name: _____ *Title: _____

*Authorized Signature: _____ Date: _____

*CORPORATE OFFICER OR PERSON AUTHORIZED TO SIGN BIDS AND CONTRACTS ON BEHALF OF THE COMPANY.

FOR INTERNAL USE ONLY

Date Application Received: _____ Reviewed

By: _____ Date: _____ Contractor: Does _____ or Does

APPENDIX D: SECTION 3 BUSINESS APPLICATION

<p>Form W-9 (Rev. December 2011) Department of the Treasury Internal Revenue Service</p>	<h2 style="margin: 0;">Request for Taxpayer Identification Number and Certification</h2>	<p>Give Form to the requester. Do not send to the IRS.</p>																																																													
<p>Print or type See Specific Instructions on page 2.</p>	Name (as shown on your income tax return)																																																														
	Business name/disregarded entity name, if different from above																																																														
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____																																																														
	<input type="checkbox"/> Exempt payee																																																														
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)																																																													
	City, state, and ZIP code																																																														
List account number(s) here (optional)																																																															
<h3>Part I Taxpayer Identification Number (TIN)</h3> <p>Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.</p> <p>Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.</p>																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;">Social security number</td> </tr> <tr> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">-</td> <td colspan="3"></td> <td style="text-align: center;">-</td> <td colspan="3"></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> <td style="width: 20%;">[]</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">-</td> <td colspan="3"></td> <td colspan="3"></td> </tr> </table>			Social security number										[]	[]	[]	[]	[]	[]	[]	[]	[]	[]				-				-				Employer identification number										[]	[]	[]	[]	[]	[]	[]	[]	[]	[]				-						
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<h3>Part II Certification</h3> <p>Under penalties of perjury, I certify that:</p> <ol style="list-style-type: none"> The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and I am a U.S. citizen or other U.S. person (defined below). <p>Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.</p>																																																															
<p>Sign Here</p>	<p>Signature of U.S. person ▶ _____</p> <p style="text-align: right;">Date ▶ _____</p>																																																														
<h3>General Instructions</h3> <p>Section references are to the Internal Revenue Code unless otherwise noted.</p> <h4>Purpose of Form</h4> <p>A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.</p> <p>Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:</p> <ol style="list-style-type: none"> Certify that the TIN you are giving is correct (or you are waiting for a number to be issued), Certify that you are not subject to backup withholding, or Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income. 																																																															
<p>Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.</p> <p>Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:</p> <ul style="list-style-type: none"> An individual who is a U.S. citizen or U.S. resident alien, A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, An estate (other than a foreign estate), or A domestic trust (as defined in Regulations section 301.7701-7). <p>Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.</p>																																																															

APPENDIX E: SECTION 3 WORKER AND TARGETED WORKER APPLICATION

Completed applications should be submitted to:

North Carolina Office of Recovery and Resiliency
Attn: Section 3 Program
PO Box 110465
Durham, NC 27709

If you have any questions on the application process
Please contact the Section 3 Program at
984-833-5402, **Section3@rebuild.nc.gov**

APPENDIX E: SECTION 3 WORKER AND TARGET WORKER APPLICATION

Name _____

Physical Address _____

City, State, Zip _____

Mailing Address, if different _____

City, State, Zip _____

Telephone Number, including area code _____

Email _____

I qualify as a Section 3 worker or Targeted Section 3 worker because (choose one):

- ☐ I am employed by a Section 3 business concern.
(Attach proof of employment such as a current pay stub.)
- ☐ I have completed a YouthBuild program within the past twelve (12) months or I am a current Youthbuild participant.
(Attach a copy of your certificate of completion or documentation of Youthbuild participation.)
- ☐ My income is below 80% of the Area Median Income for a household size of one for the area in which I reside.
(Attach proof of income such as most recent W-2, recent paystubs (last month) and/or proof of public assistance OR complete the Zero Income Statement on Page 5 of this application.)
- ☐ I reside within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.
(Attach proof of residency.)

Section 3 Worker and Target Worker Application

Fields of Experience and Interest

If you have skills in a particular area and you are interested in working in that field, please check the “Interest” box and provide your length of experience.

Construction-Related Services	Interest	Length of Experience	Non-Construction/Post-Construction Services	Interest	Length of Experience
Architecture			Appraisal Services		
Bricklaying			Archeology		
Carpentry			Building Inspection Services		
Cement/Masonry			Building Maintenance		
Demolition			Catering		
Drywall			Computers/IT		
Electrical			Courier Services		
Elevator Construction			Engineering		
Engineering			Janitorial		
Environmental Services			Landscaping		
Fencing			Legal Services		
Flooring Installation			Management Consulting		
Heating			Marketing/Photography		
Insulation/Siding			Printing		
Iron Works			Real Estate Services		
Landscaping			Security		
Machine Operation			Surveying Services		
Painting			Transportation		
Plastering			Other:		
Plumbing			Other:		
Roofing			Other:		

Section 3 Worker and Target Worker Application

Required Documents

Submit the following with this application:

- ☐ Proof of Identity (a photo ID: state-issued, college, employee badges are all accepted)
- ☐ Proof of Address if qualifying based on residency (a piece of official mail such as a utility bill, paycheck stub or government document with your current address on it)
- ☐ Income Documentation for last 30 days (most recent W-2, paystubs, Social Security/SSI/SSDI income statement, unemployment statement, worker's comp award letter, and any other item which would be considered cash income). Non-cash items like food stamps are not needed.
- ☐ Zero-income statement (if applicable)

Applicant Certification

I understand that Section 3 Worker certifications are valid for up to five (5) years. It is my responsibility to contact the office that holds my certification in order to update my contact information and my qualifications, or if I no longer wish to be a certified Section 3 Worker.

I understand that a Section 3 Worker certification **is not an offer of employment**. By signing this document, I give the North Carolina Office of Recovery and Resiliency permission to place my contact information on a list to be shared with businesses and community partners when they are hiring for Section 3 covered projects in the area. I may or may not be contacted about a position. If contacted, I will have to undergo the job application or interview process of that potential employer. If selected, I agree to comply with all federal and local reporting requirements.

I understand that a more detailed review of my information may be requested for any reason. I affirm that the information I provided was true to the best of my knowledge and belief, and that I have not withheld information in order to obtain certification. I further understand that if I have failed to provide truthful information, or to provide all information, I will be removed from the certification list and will not be able to reapply for one (1) year.

Signature of Applicant _____ Date_____

FOR INTERNAL USE ONLY

Date Application Received:_____ Reviewed by:_____ Date:_____

Applicant qualifies as ☐ Section 3 Worker ☐ Targeted Section 3 Worker ☐ Does not qualify for Section 3

Section 3 Worker and Target Worker Application

Exhibit A: Zero Income Statement:

If you have no income, complete this section. If homeless, attach a letter from the shelter where you receive assistance, regardless of the type of assistance you receive.

I, _____, certify that I have no income. I understand this means wages from work, unemployment, TANF, SSI/SSDI, Social Security, or any other program that I would receive a cash payment from.

The reason I am able to survive with no income is because (choose one):

☐ I am currently homeless. I am able to meet my basic needs by doing the following:

☐ I am living with someone not in my household who provides me with support.

Their name is: _____

Their telephone number/email is: _____

Their relationship to me is (mother, uncle, friend, etc.): _____

To be filled out by the supporting party: How do you provide support to the applicant?

Provide approximate cash amounts for all major expenses (\$50 or more). *Example: "I pay \$500 in rent; I spend \$200 on food that he/she shares with me", etc.:* _____

Signature of Supporting Party: _____ Date: _____

Signature of Applicant: _____ Date: _____

APPENDIX F: SECTION 3 PROJECT CLOSEOUT CHECKLIST

Project Name:	
Project Location or Address(es):	
Contract Execution Date:	Original Contract Amount:
Contractor Name and Phone Number:	

- ☐ Invitation to Bid and bid solicitation documents reference Section 3 Final Rule applicability
- ☐ The following blank forms included in bid solicitation documents:
 - FORM 0: Overview*
 - FORM 1: Assessment and Certifications*
 - FORM 2: Subcontractor List*
 - FORM 3: List of Permanent Employees*
 - FORM 4: Documentation of Qualitative Efforts*
 - FORM 5: Section 3 Contract Clause*
 - FORM 6: Project Compliance Report*
 - FORM 7: Business Outreach Form*
 - FORM 8: Worker Outreach Form*
- ☐ Section 3 talking points and sign-in sheet from pre-bid meeting
- ☐ Documentation of Section 3 questions received and answers provided
- ☐ Copies of all returned bids including completed FORMS 1-4 (if returned)
- ☐ Documentation of bid review assessing if Section 3 preference applies (if applicable)
- ☐ Copy of executed contract including Section 3 clause, completed FORMS 1-4 and blank FORMS 2-4 and 6-8
- ☐ Section 3 talking points and sign-in sheet from pre-construction conference
- ☐ FORM 6 submitted with supporting time records for each reporting period
- ☐ FORM 4 submitted with supporting documentation for each reporting period where numeric goals were not met
- ☐ FORMS 2 and 3 updated and re-submitted with final FORM 6 report
- ☐ Notes from Section 3 monitoring site visits
- ☐ "Section 3 Worker and Targeted Worker Application" and supporting documentation for each worker verified as Section 3 and targeted Section 3
- ☐ Map of Section 3 service area for purpose of certifying targeted Section 3 workers on project (if applicable)
- ☐ "Section 3 Business Application" and supporting documentation for each business verified as a Section 3 business
- ☐ Documentation of FORMS 7 and 8 (Section 3 business and worker outreach forms) sent and returned
- ☐ Documentation of additional qualitative efforts as applicable: _____
- ☐ Section 3 representative project-related notes/correspondence

*These forms are part of the grantee's Section 3 Policy and Project Implementation Plan custom tools.

Additional Notes:

Completed by: _____ Date: _____

Approved by: _____ Date: _____